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Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Follow-up to the outcome of the Millennium Summit

Investing in the United Nations: for a stronger Organization worldwide

Report of the Secretary-General

Summary

Today's United Nations is vastly different from the Organization that emerged from the San Francisco conference more than 60 years ago. Its normative work remains important and substantive. In the past decade however, it has undergone a dramatic operational expansion in a wide range of fields, from human rights to development. Most notable has been a fourfold increase in peacekeeping. The United Nations today has a wide range of new missions, a $5 billion peacekeeping budget and 80,000 peacekeepers in the field — including more than twice as many civilian staff as are employed at Headquarters in New York. The United Nations, in short, is no longer a conference-servicing Organization located in a few headquarters locations. It is a highly diverse Organization working worldwide to improve the lives of people who need help.

Such a radically expanded range of activities calls for a radical overhaul of the United Nations Secretariat — its rules, structure, systems and culture. Up to now, that has not happened. The staff members of the Organization — its most valuable resource — are increasingly stretched. Our management systems simply do not do them justice.

Previous reform efforts, while generating some significant improvements, have sometimes addressed the symptoms rather than the causes of the Organization's weaknesses, and have failed to adequately address new needs and requirements. In the present report, responding to the request addressed to me by the leaders of all United Nations Member States at the World Summit held in September 2005,

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I propose measures that I believe are needed to enable future Secretaries-General to carry out their managerial responsibilities effectively, as well as measures to enable the Organization as a whole to make better use of its managerial and human resources. This is an opportunity, which may not occur again until another generation has passed, to transform the United Nations by aligning it with, and equipping it for, the substantive challenges it faces in the twenty-first century. It is a chance to give Member States the tools they need to provide strategic direction and hold the Secretariat fully accountable for its performance.

To achieve this goal, the United Nations Secretariat and Member States need to combine the current reviews of oversight systems and internal justice — both of which are essential to building a stronger, more dynamic and more transparent United Nations but are currently proceeding on separate tracks — with major reforms in six other broad areas, all closely interrelated. The present report provides detailed proposals for reform in those six areas, as well as in the area of change management itself; the 23 proposals are summarized below.

I. People

Staff skills in the United Nations today are not aligned with current needs. We cannot always attract the best people and we lack the funds to help those we do recruit, particularly in the field, to develop their careers. We have too few skilled managers and a system that does not integrate field-based staff even though it is their skills and experience that the United Nations increasingly needs. To address this:

1. **Recruitment should be proactive, targeted and faster.**

2. **Staff mobility should integrate headquarters and field staff; it should be a condition of service and a prerequisite for promotion; and the authority of the Secretary-General to move staff laterally should be reaffirmed and expanded.**

3. **Career development should be fostered through targeted training, mandatory requirements for advancement and diverse career paths.**

4. **Contracts should be streamlined and conditions of service harmonized.**

II. Leadership

The present top management structure of the Secretariat is not well equipped to manage large and complex operations; and the Secretary-General, as Chief Administrative Officer, has too many people reporting to him directly. To address this:

5. **The role of the Deputy Secretary-General should be redefined by the Secretary-General so as to delegate to him or her formal authority and accountability for the management and overall direction of the functions of the Secretariat.**

6. **The 25 departments and other entities currently reporting directly to the Secretary-General should be reorganized to significantly reduce the reporting span.**

7. **A major new leadership development plan is needed, covering recruitment, training and career development, to build middle and senior management capacity.**

III. Information and communications technology

Despite a number of improvements to the United Nations information and communications technology (ICT) infrastructure in recent years, the overall system remains fragmented, outdated and underfunded compared to similar large and complex organizations. The lack of any integrated system to store, search and retrieve information generated at the United Nations holds back progress in many other areas. To address this:

8. **The post of Chief Information Technology Officer should be created, at the Assistant Secretary-General level, to oversee the creation and implementation of an effective information management strategy.**

9-10. **An urgent upgrading of Secretariat-wide ICT systems should be undertaken.**

IV. Delivering services

Compared to other organizations, including many within the United Nations family, the Secretariat has been slow to explore new ways of delivering services, such as relocation and outsourcing. While the character of the United Nations and the sensitivity of some of its tasks means that a core group of functions should always be carried out by a dedicated core of international civil servants at Headquarters, there are non-core functions for which other options should be seriously examined. To address this:

11. **The General Assembly should modify previous guidance, allowing the Secretariat to consider all options for alternative service delivery, including identifying the potential for relocation and outsourcing.**

12. **Systematic cost-benefit analyses of the potential for applying these options in select administrative services should be completed in the next 12 months.**

13-15. **A range of measures will be implemented to improve and tighten procedures for United Nations procurement of goods and services.**

V. Budget and finance

Currently, the United Nations suffers from a highly detailed, cumbersome and insufficiently strategic budgeting process, with more than 150 separate trust funds and 37 distinct peacekeeping accounts, each with its own support costs and arrangements. The financial management process is highly manual and fragmented. Not enough authority is delegated and — partly as a result — management performance is not adequately assessed. To address this:

16. **The cycle for reviewing and adopting the budget should be shortened, and budget appropriation consolidated from the present 35 sections into 13 parts; and the Secretary-General should have expanded authority to redeploy posts as necessary, and to use savings from vacant posts.**

17. **Peacekeeping accounts should be consolidated and trust fund management streamlined; the level of the Working Capital fund and the ceiling of the commitment authority granted by the General Assembly should be increased; and the financial processes of the Organization should be re-engineered to allow significant delegation of authority within a framework of accountability.**

18. **The budget and planning process should be explicitly linked to results and managerial performance, as part of a more rigorous monitoring and evaluation framework.**

VI. Governance

Underlying a smoothly running United Nations must be a system of governance that gives Member States the information and tools they need to provide proper guidance to the Secretariat, and to hold it accountable for fulfilment of their mandates and stewardship of their resources. Currently, the budget and decision-making process often lacks clarity and transparency, and at times the interaction between the Secretariat and the Committees of the General Assembly is dysfunctional. To address this:

19. **Secretariat reporting mechanisms should be improved, including through the development of a single, comprehensive annual report, and the 30 existing reports on management should be consolidated into six reports.**

20. **New principles to guide the interaction between the Secretariat and the General Assembly on management and budgetary issues should be introduced to make it more focused, strategic and results-oriented.**

21. **The General Assembly is urged to consider ways to reform its interaction with the Secretariat on management and budgetary issues.**

VII. The way forward: investing in change

To help drive and implement the overall process of management reform across all these areas, a dedicated change management office should be created, with clear terms of reference and a time limit, to work with heads of department and other key Secretariat leaders to plan and coordinate the implementation of the reforms. Ideally, this office would also liaise closely with a small but representative group of Member States. And, as called for in the 2005 World Summit Outcome, this broad process must be underpinned by a carefully constructed staff buyout, to allow for a reinvigoration of the United Nations workforce. To address this:

22. **Dedicated resources should be appropriated to the change management process; in particular, resources will be needed at an early stage for a change management office and a staff buyout.**

23. **An appropriate intergovernmental mechanism should be set up to work with the change management office.**

* * *

Only by an effort on this scale — a management reform as broad as it is deep — can we create a United Nations Secretariat that is fully equipped to implement all its mandates, using the resources of its Member States wisely and accounting for them fully, and winning the trust of the broader world community. In an age when more and more of the problems facing humanity are global and the world has more and more need for a global institution through which to forge and implement global strategies, it is more than ever necessary for the United Nations to live up to the promise of its Charter — and, above all, to the demands and hopes of present and future generations.

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Introduction

A changing world and a changing United Nations

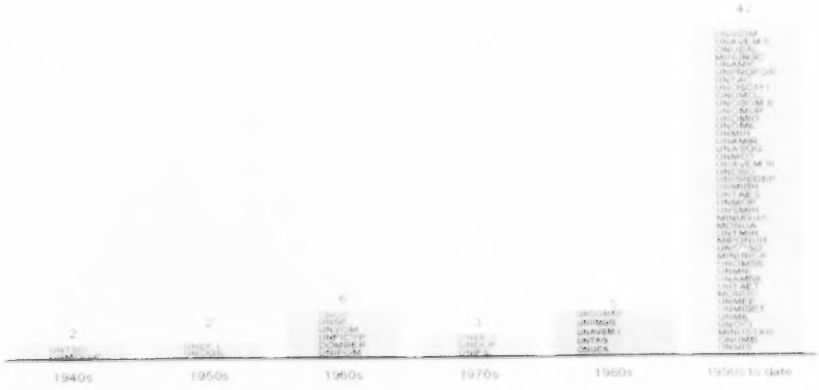
1. Throughout its history, the United Nations has played a vital role as a meeting place for the discussion of global issues and setting of global standards, and for much of that history the key function of its Secretariat and staff, working mainly at Headquarters, has been to service those conferences and meetings. Much of this work has been, and is, important and substantive. The global norms set during this period have changed the world profoundly.

2. But the global political and social environment of today is very different, and our Organization reflects that. In the last 20 years, it has lived through a dramatic expansion of operations, budgets and functions. The United Nations today carries out complex operations and directly delivers critical services around the world. In so doing, it works with a wide range of partners — including national Governments, regional organizations, civil society groups, philanthropic foundations and private-sector companies — on an equally wide range of activities, from peacekeeping and peacebuilding to the struggle against poverty and HIV/AIDS and the promotion of the Millennium Development Goals.

3. Peacekeeping, it is true, dates back to the early days of the cold war. But the typical peacekeeping operation of that time involved a simple interposition of soldiers between the armed forces of warring States to monitor the observance of a ceasefire. And in the first 44 years of the history of the United Nations, only 18 peacekeeping missions were set up.

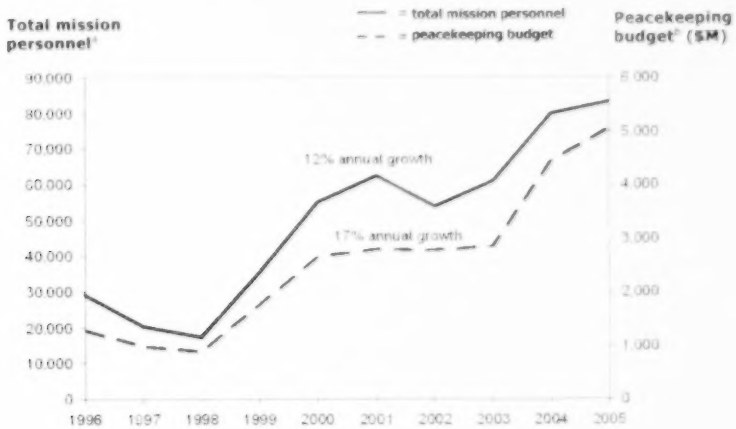
4. In the 16 years since 1990, 42 new missions have been authorized (see figure I). Yet today's peacekeeping is a far more complex matter. It usually involves restoring institutions, organizing elections and training the police; and it includes many other tasks needed to turn a peace agreement signed by the leaders of armed factions into real security and at least a chance of prosperity for the people of a country ravaged by long years of conflict. In two recent cases — one of them still current — the United Nations has even been required to supply the executive functions of government in the territory concerned.

Figure I
Significant increase in peacekeeping missions authorized in the last 16 years



5. Even though independent studies show that the United Nations performs these tasks at a lower cost than nations working on their own or working in ad hoc coalitions, these new more complex missions require more people to run them. Just in the nine years since I became Secretary-General, the number of personnel — civilians and soldiers — deployed on peacekeeping missions has risen from under 20,000 to over 80,000, driving up the total peacekeeping budget from $1.25 billion to over $5 billion (see figure 2). Indeed, the number of civilian staff employed in peacekeeping missions in the field is now more than double the number of all Secretariat staff employed in New York, while peacekeeping expenditure amounts to more than half of all United Nations spending.

Figure 2
Rapid growth in peacekeeping budget and personnel



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
No. of peacekeeping missions	16	14	14	16	14	12	12	11	15	15
Average no. of personnel per mission[a]	1,816	1,443	1,223	2,200	3,917	5,198	4,486	5,517	5,315	5,524

[a] Average of two years' military and civilian staff in missions, and support account posts at Headquarters.
[b] Annual budget reflects July-to-June budget starting in that year, e.g., 1996 budget reflects budget from July 1996 to June 1997.

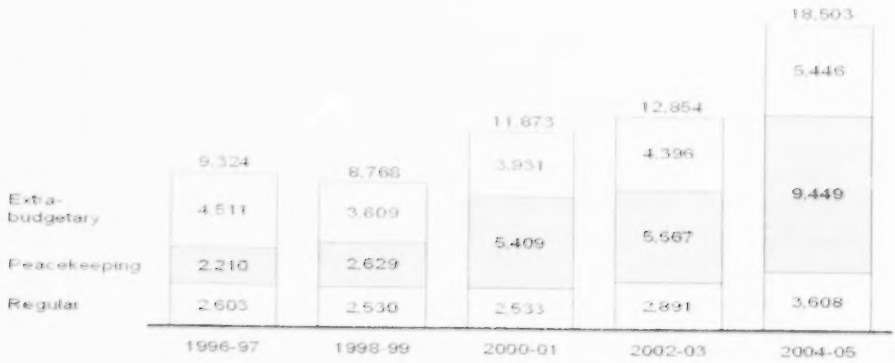
6. By contrast, the regular budget, which is at the heart of so many of the intergovernmental debates about the control and direction of United Nations activities, represents less than 20 per cent of total spending. The remaining share, excluding the criminal tribunals and the capital master plan, consists of extrabudgetary expenditure funded by voluntary contributions (see figure 3) and is devoted mainly to "operational" activities — refugee and humanitarian relief, criminal justice, human rights monitoring and capacity-building, and electoral assistance. In general, these are new activities and complement growing spending by United Nations funds and programmes such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP), which is currently of the order of $10 billion per annum. The United Nations therefore spends almost $20 billion a year overall. The present report addresses only the Secretariat half of that figure.

Figure 3

Rapid growth in United Nations budgets over the last 10 years

United Nations biennial budgets, 1996-2005

(Millions of United States dollars)



A once-in-a-generation opportunity

7. Such a vastly expanded and altered range of activities calls for a radical overhaul of the United Nations Secretariat — its rules, its structure, and its systems and culture. This has begun to happen in the United Nations funds and programmes but not sufficiently in the Secretariat. Our staff are working all round the world and doing more than ever before, many of them in difficult and dangerous situations and with great idealism and integrity, but our management system does not do justice to them. It lacks the capacity, controls, flexibility, robustness and indeed transparency to handle multi-billion-dollar global operations, which often have to be deployed at great speed.

8. There have been many efforts at reform. I myself have introduced two main sets of reform proposals during my time in office — one in 1997 (see A/51/950) and a second in 2002 (see A/57/387) — as well as the report of the Panel on United Nations Peace Operations (see A/55/305-S/2000/809), issued in 2000, and the report on a strengthened and unified security management system (see A/59/365), issued in 2004. In partnership with Member States, important changes have been made, and I believe the Organization is more efficient and effective than it was 10 years ago.

9. But these earlier efforts addressed the symptoms and not the causes of our underlying weaknesses. They were not sufficiently comprehensive and strategic to meet the demands of an era of such rapid change. In several key areas — notably the management of human resources, the basic structures of management itself, the mechanisms of intergovernmental control and perhaps above all the management culture — the operating model has *not* changed significantly since at least the 1970s. Indeed, systems have continued to weaken as challenges have grown.

10. As a result, the Secretariat has struggled to cope with the changed environment. It has faced many operational problems and a number of crises. Against the odds, a dedicated staff have delivered more every year. The time has now come for fundamental reform, designed explicitly to enable the Secretariat to meet the new operational requirements of the United Nations in the twenty-first century. Just as our iconic Headquarters building, after more than 50 years of ad hoc repair and maintenance, now needs to be fully refurbished from top to bottom, so our Organization, after decades of piecemeal reform, now needs a thorough strategic overhaul, which can only be achieved through a consistent, sustained commitment at all levels of leadership.

11. Member States have clearly understood this. In the 2005 World Summit Outcome (General Assembly resolution 60/1), the Heads of State and Government of all Member States invited the Secretary-General to frame a comprehensive blueprint for change. In paragraph 162 of the Summit Outcome, they requested me to make proposals to the General Assembly, for its consideration, on the conditions and measures necessary for me — and my successors — to carry out my managerial responsibilities effectively. In paragraph 163 of the Summit Outcome, they also called on me to submit proposals for implementing management reforms, aimed particularly at making more efficient use of the Organization's financial and human resources, for consideration and decision in the first quarter of 2006. Such an opportunity for much-needed change may not soon recur. We must seize it and exploit it to the full.

12. The present report responds to both of these requests and seeks to reinforce other more specific policy reviews already commissioned by the General Assembly. It aims to provide the blueprint for comprehensive management reform that I believe most — indeed all — Member States genuinely wish to see. It contains proposals in seven main areas: people (sect. I), leadership (sect. II), information and communications technology (sect. III), ways of delivering services (sect. IV), budget and finance (sect. V), governance (sect. VI) and the process of change itself (sect. VII). These areas are all interrelated and also relate to the ethical standards of the Secretariat — which with the help of Member States I have already taken steps to reform — and the systems of oversight and internal justice, which are the subject of separate reviews. Failure to carry through reform in any one of these areas can greatly reduce or even nullify the value of reform in all the others. Accordingly,

even though they are not the subject of its proposals, I have included in the present report brief summaries of the reforms already enacted or envisaged in the areas of ethics and oversight, as well as an appeal for a far-reaching reform of the internal justice system. In this way I have presented a complete tableau of all the changes that I believe are needed.

13. I recognize that if the General Assembly were to enact all the changes in the rules and regulations that I request, that action alone would not transform our Organization. We have to build a modern, empowered management capacity, which will not be achieved by a vote but by sustained organizational change over time. Indeed, nearly every process in the Organization will need to be revisited as we seek to eliminate redundant steps and engineer more efficient ways of doing things. The present report must be the beginning of a process of change management that will be implemented over the next several years. One of the weaknesses of the old culture is precisely the view that a report or a vote in itself represents change. In practice, reports and votes enable and *authorize* change, but change itself is the long march that follows.

Working together

14. Let me state this clearly: strong management can only work if it responds to strong governance. These reforms are in danger of failing unless there is a trusting relationship, a strategic partnership, between this institution's governance — the Member States' intergovernmental mechanisms — and its management, namely myself and my colleagues.

15. Two developments threaten this partnership, and must be resolved. First, many States have cause to feel excluded from any real say in the affairs of the Organization and are driven to assert their influence by using the only means they believe is available to them — that is, by withholding their support from some of the many decisions, particularly on administrative and budgetary matters, for which consensus is required. This puts them at loggerheads with other States who feel, on the contrary, that their financial contribution entitles them to a decisive say on these same issues. This dispute is undermining what should be a common commitment to an effective United Nations.

16. Second, this conflict has broken down the division of labour between myself, as Chief Administrative Officer, and Member States. It has led to intervention in almost every decision about the allocation of financial and human resources. It is vital that we find — or rediscover — a basis for partnership. Effective oversight and ability to set the Organization's direction must be restored to Member States, while the right of the Secretary-General to manage the affairs of the Organization in a manner that delivers the goals set for him by Member States must be respected.

17. Indeed, if change is to happen, it is vital that the Secretariat and Member States work together to *make* it happen. The details of all the proposed changes remain to be worked out and they must be worked out in full consultation, including consultation with those to whom they will make the most immediate difference and on whose continued loyalty and dedication their success will most directly depend — namely, the United Nations staff. The process of change must be based on full and clear communication between all stakeholders, leading to well-defined roadmaps and transparent lines of accountability for all the leaders involved.

18. These reforms have been developed in the context of a debate about how the United Nations can achieve savings through reform. Indeed, there are real savings to be made through these proposals, which over time will reduce the costs of many activities by ensuring that they are carried out more simply. But the present report is not a cost-cutting exercise: its primary financial message is that there has been massive underinvestment in people, systems and information technology, and that these deferred expenditures must now be made up for if the United Nations is to operate effectively. To reach the level of effectiveness that our staff, our clients, our Member States *and our peoples* are entitled to expect, will cost significant amounts of money.

19. My intention is to ensure that all Member States have at their command an Organization that, because it is well organized and transparent, is easy for them to direct and can be relied on to respond quickly and effectively to their instruction. Above all, my intention is to ensure that the United Nations delivers the best possible value to the hundreds of millions of people throughout the world who, through no fault of their own, find themselves in need of its services: those threatened by extreme poverty; by hunger, malnutrition and endemic or epidemic disease; by desertification and other forms of environmental degradation; by natural disasters; by civil conflict, anarchy, violence and transnational organized crime; by terrorism; by oppression and misgovernment; and by genocide, ethnic cleansing and other crimes against humanity. It is these people who are the true stakeholders in an effective and democratically controlled United Nations.

Box 1

Ensuring ethics and accountability

A key ingredient of any successful Organization is an ethical and accountable culture pervading its staff from top to bottom. For the United Nations, as an Organization founded on the high ideals of its Charter and seeking to set an example in the countries where it works around the world, this is doubly important. Unfortunately, in recent years it has become clear that we have too often fallen short of these high standards. An internal staff survey in 2004 contained disturbing perceptions of management weaknesses. In addition, disclosures ranging from the findings of the Independent Inquiry Committee into the United Nations Oil-for-Food Programme to the absolutely impermissible acts of sexual exploitation by some of our peacekeepers in the field have all too clearly demonstrated the need for a more rigorous, enforceable set of rules and regulations, and tougher sanctions. In response, during the course of 2005 I introduced a number of changes aimed at correcting the situation and giving senior management the tools necessary to ensure that all employees of the Organization adhere to the highest standards. In particular, the United Nations has:

- Established a dedicated Ethics Office, approved by Member States.
- Promulgated strengthened rules to ensure protection against retaliation for those who report misconduct through a new "whistleblower" protection policy.

- Put in place more stringent requirements for financial disclosure and declaration of interests, covering broader categories of senior officials and the entire procurement staff.
- Established strict guidelines for the acceptance of pro-bono services from private-sector companies.
- Implemented a comprehensive set of measures to prevent sexual exploitation in field missions, investigate allegations and hold perpetrators accountable; over the past 14 months, in response to such violations more than 100 individual United Nations staff and peacekeepers have been either dismissed or expelled and a number of entire military units have been repatriated.

This package of reform will shortly be supplemented by the enactment of a new code of conduct on post-employment contacts with the Secretariat for business purposes, and by new measures to strengthen our capacity to detect and prevent fraud and corruption.

I. Investing in people

Context and challenges

20. The need for a highly qualified, independent and international civil service is enshrined in the Charter of the United Nations. This is as important today as it was 60 years ago. The quality of our staff determines the success of the Organization, since it cannot succeed unless it attracts and retains the right people to carry out the increasingly complex mandates entrusted to it.

21. During my term in office, I have introduced a number of initiatives to improve the way the Organization manages and develops its human resources, including the definition of organizational core values and competencies and their integration into all human resources systems — recruitment, development and performance appraisal; the introduction of a web-based recruitment system; empowerment of managers to select their own staff; policies to encourage staff mobility; and measures to strengthen the security and safety of staff at all United Nations work locations.

22. All of this is important progress. But we have to acknowledge that our systems have not kept pace with the operational demands being placed on us. The existing human resources management framework was designed for a stable, largely Headquarters-based environment, whereas currently more than half of our 30,000 staff members are serving in the field (see figure 4). The Organization's increasingly complex mandates require a new skills profile, that will enable it to respond in an integrated way to new needs in areas as diverse as humanitarian assistance, peacekeeping, electoral assistance, and drugs and crime. It needs to be able to recruit and retain leaders, managers and personnel capable of handling large, complex multidisciplinary operations with increasingly high budgets. Too many staff turn away from the United Nations, frustrated by the lack of a career path across the full range of opportunities in our global Organization.

23. A survey entitled "A Picture of United Nations Staff", which was published in 2005 and based on 5,320 responses, revealed that two of the most de-motivating aspects of employment with the United Nations are the lack of career and promotions prospects and the frustrations caused by excessive bureaucracy.

24. Most United Nations staff are acutely aware of the employment and administrative problems faced by colleagues and external applicants alike. For example:

(a) A qualified Professional applies for a position at the United Nations but is not informed of the outcome for a very long time and decides to accept a job elsewhere. Despite maximum efforts to fill the post rapidly, the thousands of applications received have not been processed quickly enough;

(b) A colleague has spent many years serving the Organization in a number of conflict zones and decides that the next posting should allow her to join her family, only to find that her field experience gives her no advantage in applying for a post at a family duty station;

(c) A General Service staff member has diligently served the United Nations for many years and during that period has earned the necessary academic qualifications and performance criteria to be employed as a Professional, including doing well in the annual G to P exams, but never manages to get promoted because of the limits on the number of posts that can be used. He is advised that resignation from the United Nations and reapplication at the Professional level would increase his chances, but he cannot afford to risk his current income for the sake of a possible future promotion.

Figure 4
Staff by type of location

Date: As of 30 November 2005.
Population: Includes internationally and locally recruited staff, regardless of length of contract, excludes United Nations staff administered by other organizations.

25. The Organization's ability to respond to changing requirements is hampered by complex, outmoded and fragmented systems and processes. In particular:

(a) The Secretary-General does not have the resources and authority to manage the Organization effectively, as its Chief Administrative Officer, in accordance with Article 97 of the Charter of the United Nations. His freedom of action is handicapped by multiple, restrictive and often contradictory legislative mandates. Accountability is diffuse. The rules are complicated and incoherent and often lack transparency;

(b) Recruitment is simply too slow and reactive for the dynamic, frequently changing demands of a highly operational Organization. The processes are complex and administratively time-consuming. On average, it takes 174 days from the time a vacancy announcement is issued to the time a candidate is selected;

(c) Inadequate progress is being made to improve geographical distribution and gender balance, both of which are essential for a truly diverse international civil service. Targets for increasing recruitment for unrepresented and underrepresented Member States have been met by one fifth of Secretariat departments. The proportion of women at the Professional levels and above is still unacceptably low, at 38 per cent;

(d) Vital positions in key locations remain vacant far too long, which has an adverse impact on the Organization's ability to carry out its mandates. For example, at any given time one third of all Professional posts in peacekeeping operations are vacant — an unacceptable and unsustainable state of affairs. By contrast at established duty stations and headquarters there are low vacancy rates and too little staff movement, which inhibits career development;

(e) Different procedures from those at Headquarters are in place for appointments in the field. This prevents the Organization from developing an integrated workforce and leads to the inconsistent application of organizational standards;

(f) Complex eligibility requirements limit staff — in particular field staff — from being given equal consideration for opportunities elsewhere in the Organization. This means that (i) managers do not have access to the broadest pools of talent, (ii) career opportunities for staff are limited; and (iii) divisions between field and Headquarters are reinforced;

(g) Staff are not sufficiently mobile. Their movement is hampered by multiple and restrictive mandates, including those that limit the Secretary-General's ability to move them when this would be in the interests of the Organization. Occupational groups have largely become "silos", with limited opportunities for staff to move from one occupational group to another, even in the early stages of their careers;

(h) The Organization uses a plethora of different types of contractual arrangements for hiring staff, which are cumbersome and difficult to administer and result in staff being treated unfairly. This creates divisions, breeds resentment, burdens administrators and hampers our ability to attract and retain the best people;

(i) Staff members serve side by side with colleagues from other parts of the United Nations system who enjoy better conditions of service, both financially and

from the work-life perspective. The main differences occur in the treatment of family members and provisions for rest and recuperation breaks in the field;

(j) Investment in developing and managing talent at all levels of the Organization is inadequate. The United Nations spends just 1 per cent of its staff budget on training and development, compared to three or four times that amount in other international organizations;

(k) The information and communications (ICT) systems underpinning our management of human resources do not meet the stringent demands imposed by the global reach of today's United Nations;

(l) The internal justice system is slow and cumbersome, and fails to strike the necessary balance between effective managerial control and staff members' right to due process.

Vision

26. My vision is of an independent international civil service which will once again be known for its high standards of ethics, fairness, transparency and accountability, as well as its culture of continuous learning, high performance and managerial excellence. The Secretariat will be truly an integrated, field-oriented operational Organization. Its multi-skilled, versatile and mobile staff will be working across disciplines to fulfil the Organization's complex and interrelated mandates in an efficient and cost-effective manner. The United Nations will be an employer of choice in the international public sector.

27. To achieve this vision, the Organization will need to introduce a new human resources framework which, building on reforms to date, will give the Organization the ability to respond to changing requirements.

28. The future United Nations workforce will have a core of career international civil servants performing long-term functions, supplemented by others who will join and leave the Organization for shorter periods of time when needed. A key part of this core will be the staff required to meet the needs of urgent peacekeeping and special political missions. Experienced staff who are able to be deployed rapidly and work effectively under pressure in unfamiliar circumstances will be in constant demand. Approximately 2,500 internationally recruited positions in peacekeeping and special political missions will be identified to form the heart of this capacity. Additional positions within the humanitarian and human rights sectors could form a smaller yet critical part of this core capacity in the field.

29. The Organization will need to integrate field and Headquarters staff into one global Secretariat with competitive conditions of service. Proactive, rapid and targeted recruitment must satisfy the demands of a largely field-based Organization and improve geographical and gender balance. Artificial barriers created by different contractual arrangements must be eliminated. Measures will be introduced to minimize the amount of time staff are required to spend away from their families. Willingness to serve the United Nations wherever needed will be a cornerstone of service with the Organization. Mobility will be facilitated and rewarded. The staff profile will be realigned to meet the evolving needs of the Organization, with substantially increased investment in staff development and talent management.

30. My package of human resources proposals must be considered in a holistic manner since they are all interrelated. I cannot emphasize too strongly that the success of this vision depends on progress in all other areas, particularly results-based management and the availability of an integrated, reliable information technology system. The redesign panel currently looking at the internal justice system is also critical to the success of these changes. Without a justice system that delivers fair resolution of staff/management disputes in a timely way, the other reforms will be undermined. Furthermore, administrative benefits should be simplified and streamlined — including through adoption of practices such as "lump-summing" of benefits.

31. **The projected recurring costs of harmonizing benefits for staff in the field, including the proposed new cadre of peacekeepers, would be of the order of $280 million per annum, to be funded largely from the peacekeeping assessment or extrabudgetary contributions. Further, a much needed doubling of resources dedicated to training and developing United Nations staff would amount to an additional $10 million per annum.**

Proposals and actions

Proposal 1

I propose to develop a more proactive, targeted and speedy recruitment system, through:

- **More extensive outreach based on strategic workforce planning.**
- **Use of rosters of pre-screened candidates.**
- **Establishment of a dedicated recruitment service to support managers in their selection of staff.**
- **Reduction of the advertising time for vacancy announcements to 30 days.**
- **Expedited recruitment processes for surge needs.**
- **Expanded career opportunities for serving staff, and the creation of a broader pool of talent by eliminating eligibility restrictions based on contractual status, category, location or duration of service. This would include eliminating the existing restrictions for applicants to junior Professional posts that are not subject to the examination requirements.**
- **Revision of examinations and job profiles to match current needs.**
- **Strictly enforced compliance with gender and geography targets.**
- **Aiming to reduce average recruitment times by one half.**

Proposal 2

I propose a more integrated approach to mobility, including:

- **Authority for the Secretary-General to move staff members wherever they are needed.**

- Strict enforcement of current post-occupancy limits, designation of a majority of international Professional posts as rotational, and integration of Headquarters and field operations into an Organization-wide mobility programme.
- Expanded training and improved work/life conditions — the training budget should initially be doubled — costing an additional $10 million per annum.
- Greater opportunities for General Service mobility.

Proposal 3

I propose to nurture talent and foster career development, through:

- A significant increase in resources for staff development and career support.
- Systematic development of entry-level Professionals and mandatory requirements for advancement to successive levels of responsibility.
- Development of career models, with potential career paths and cross-over points.
- Mandatory induction and training requirements for managers.

Proposal 4

I propose to modify contractual arrangements and harmonize conditions of service to meet the needs of an increasingly field-based Organization, through:

- Introduction of one United Nations Staff Contract under one set of Staff Rules. The conditions of service would mirror the current 100 series and would vary according to the length of continuous service. Where mandates of particular projects or missions are clearly finite, appointments would still be limited in order to prevent undue expectations of long-term employment.
- Replacing permanent contracts with open-ended "continuing appointments", as previously recommended to the General Assembly (see A/59/263/Add.1).
- Harmonization of the conditions of service of Secretariat staff in the field with those of the United Nations funds and programmes by designating field missions in line with security phases, introducing the special operations approach for non-family duty stations, where appropriate, and revising the scheme for rest breaks and streamlining administration, including through lump-summing. The annual recurrent cost would be of the order of $280 million.

II. Investing in leadership

Context and challenges

32. If the end of the cold war and the advent of globalization ushered in a new era for the work of the United Nations, it also had direct implications for the role of the Secretary-General. As Chief Administrative Officer of the Organization, I have managerial responsibilities which have grown far more demanding with the extraordinary increase in the number and complexity of field missions and other operational activities. Yet at the same time the direct and active involvement of the United Nations in a far wider range of issues than in the past has placed enormous calls on my time and capacity in my role as a political instrument of the Security Council, the General Assembly and other United Nations organs. In short, I am expected to be the world's chief diplomat and at the same time to run a large and complex Organization, as it were, in my spare time. This will hardly be less true for my successors.

33. **Unmanageable span of control**. There are now more than 25 departments and offices reporting directly to the Secretary-General, of vastly different size, scale and complexity. The biggest controls billions of dollars and tens of thousands of people; the smallest a handful of people and almost no resources. In practice, many heads of department receive very little direct guidance from me, and are consigned to operate in isolated "silos" or expected to work together in loose "executive committees", without management support strong enough to ensure any real synergy. In addition, there are a large number of special advisers, envoys and representatives who report to me periodically.

34. There are also 10 heads of programmes and funds who at present report to me and require my strategic guidance. The recently established High-level Panel on United Nations System-wide Coherence is likely to recommend changes to the structure, governance and reporting lines of these United Nations system organizations.

35. **Insufficient operational capacity**. The post of Deputy Secretary-General, created by the General Assembly at the end of 1997 to support the Secretary-General, has provided a much needed increase in capacity at the top of the Organization. The terms of reference were broad: to help manage Secretariat operations, ensure coherence of activities and programmes, and elevate the Organization's profile and leadership in the economic and social spheres. Yet the Deputy Secretary-General was assigned no explicit statutory authority. There has been no clear division of labour between me and my Deputy, and all senior managers have continued to be accountable directly to me. The position, therefore, could do much more to strengthen management capacity at the very top of the Secretariat if it were given a wider set of responsibilities and authority to carry them out on the Secretary-General's behalf. Similarly, the Chef de Cabinet post could be more clearly defined in terms of supporting the Secretary-General directly in the day-to-day management of his or her immediate office and workflow.

36. **Inadequate senior-level development**. There are many other levels of leadership in the United Nations that also need attention. A damaged culture, which is seen as limiting creativity, enterprise, innovation and indeed leadership itself, has meant that many managers have simply lost the capacity to manage.

37. Some have been trapped in a static headquarters environment, with little challenge or opportunity to develop the needed skills and experience. Others have had to operate in difficult field environments without the training or the environment of user-friendly, human-resources and financial rules that would enable them to do their job. There is nothing more heartbreaking than to see able young staff become demoralized and disenchanted as the path to management is strewn with apparently impassable obstacles.

38. Many of these issues are addressed in other sections of the present report. In the present chapter, I propose some specific changes that I believe should be given special priority because they are directed at building our future leaders.

Vision

39. My vision is of an Organization whose Secretary-General will be given the means he or she requires to meet fast-changing needs and expectations in all parts of the world — from terrorism to human rights, from intra-State conflict to HIV/AIDS. A reduced number of people reporting directly to the Secretary-General will to enable him or her to manage at the level of strategy and policy.

40. This will have been achieved by *two* principal changes: delegating authority to the Deputy Secretary-General in a more systematic manner and regrouping departments and other entities around broad functional areas. The Secretary-General will continue to fully lead the Organization and direct political and policy matters, but the Deputy will assume delegated responsibility for management policies and overall operational matters — thereby obviating the need that some have discerned for a new post of Chief Operating Officer. While each group should comprise a cohesive range of functions and activities, headed by an Under-Secretary-General, the intention is to reduce the direct senior reporting span to about eight line and support functions. This can be done by reorganizing departments and in some cases by clustering departments. In addition, the Deputy Secretary-General would, therefore, assume formal chairmanship of the Organization's Management Committee, which I currently chair.

41. While this reform can be more appropriately introduced when a new Secretary-General assembles his or her cabinet at the end of 2006, I believe it can be accomplished within the existing Under-Secretary-General and Assistant Secretary-General headcount and would not require new posts. This arrangement will improve operational accountability and performance management; help to ensure greater substantive coherence and policy direction for Secretariat operations; and allow all heads of department to work in a more effective way.

Managers more rigorously selected ...

42. Last year, I introduced new procedures for improving the transparency and quality of selection for the heads of the United Nations funds and programmes. Interview boards were created. Extensive reference checking was undertaken. Several senior officials have since been appointed following these new procedures — including the Administrator of UNDP, the United Nations High Commissioner for Refugees and the Under-Secretary-General for Internal Oversight Services. The Department of Peacekeeping Operations has also put in place new

measures for improving the appointment system for heads of peace missions in the field.

43. In my vision of the future, such practices — combined with much better organized recruitment outreach than in the past and thus achieving the geographical and gender balance that must characterize the Secretary-General's own leadership team — will be followed for all senior appointments.

... better trained and supported ...

44. The Organization will also do a better job of training and supporting its managers. Mandatory induction of new managers is already being introduced. The Department of Peacekeeping Operations has held two sessions for field managers and a similar session was held recently for new Directors at the D-1 and D-2 levels at Headquarters. This will be supplemented by periodic training opportunities, allowing managers to reflect on their management, learn the most modern techniques and compare notes with peers. Other Secretariat training programmes targeted at leaders and managers are also under way. The Secretariat will also have a strong management advisory service, to which managers can turn for help. This function, and the resources dedicated to it at the time, were given to the Office of Internal Oversight Services when it was created 10 years ago. With experience, I have come to the conclusion that combining the roles of auditor, investigator and management adviser in a single entity is not the best formula. I hope that the external review of oversight bodies which was launched by the General Assembly in December 2005 will address this problem and offer alternative approaches.

... and firmly but fairly assessed

45. A more rigorous selection process, increased training opportunities and sustained support for managers, combined with a clear statement of their responsibility and authority, will enable the United Nations of the future to enforce stricter but also fairer accountability rules for its managers. The Management Performance Board, which I established recently, is in the process of designing clear criteria for assessing the performance of senior managers, who will be required to do the same for the junior managers working under them.

46. Nearly 15 per cent of Professional staff with contracts of one year or longer will reach retirement age by 2010. This will have a major impact at the P-5 and Director levels. Such retirements, combined with a buyout programme, will give the Organization the opportunity to bring in new talent at those levels, in line with future leadership needs.

Proposals

Proposal 5

I propose to redefine the role of Deputy Secretary-General and delegate to him or her formal authority and accountability for the management and overall direction of the operational functions of the Secretariat. The Secretary-General would continue to lead the political and policy dimensions of the Organization's work.

Proposal 6

I propose that my successor regroup the 25 departments and entities currently reporting directly to the Secretary-General into about eight organizational groups or clusters. Each group would be headed by an Under-Secretary-General.

Proposal 7

I propose to strengthen leadership recruitment as well as training and development plans to build the cadre of senior and middle managers required for the modern complex global operations of the United Nations.

III. Investing in information and communications technology

Context and challenges

47. No global organization, let alone one as deeply involved in the management of information as this one, can function adequately without an effective infrastructure. Most of the reform proposals set out in the present report cannot be implemented without appropriate information and communications technology (ICT) support. And our very ability to carry on the work we are doing now depends on getting our ICT component right. There has been a chronic underinvestment in information systems which, if it is not urgently addressed, will come to threaten the operational viability of the United Nations as a whole.

48. A number of improvements have been achieved since I submitted an ICT strategy to the General Assembly in 2002 (see A/57/620). Regular budget expenditure on ICT now amounts to more than $100 million per annum and has yielded significant returns. All systems now operate with little downtime, at rates similar to those in large, information-intensive organizations, both public and private, with effective protection from unauthorized intrusions. Internal communications and staff management tools, such as iSeek and ePAS, have been successfully developed and implemented. Standards on critical infrastructure elements are in place and are being followed by all offices worldwide, managed by more effective internal governance review mechanisms. We should also acknowledge that the United Nations does a remarkable job in establishing rapid connectivity in the remotest parts of the world, where the existing infrastructure is either non-existent or damaged.

49. However, the benefits of improvements at the technical level have been reduced by lack of an effective information management strategy, which has meant that staff in disparate locations and departments have been unable to share their knowledge. Neither the culture nor the technology encourage or enable knowledge-sharing.

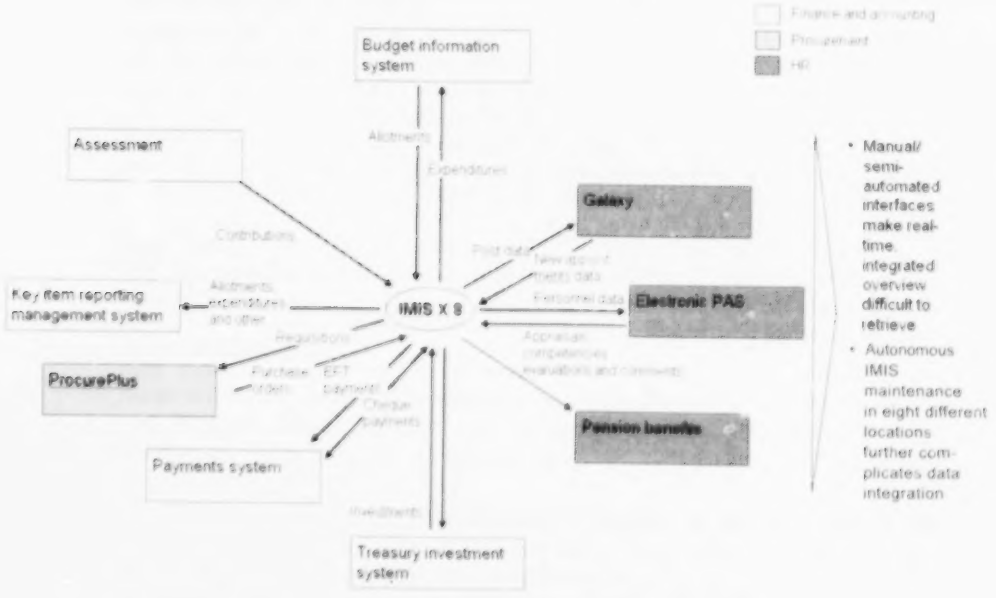
50. Outdated and fragmented information technology systems still prevail, with limited ability to share and process data and information. United Nations investment in ICT, at 7 per cent of the administrative budget, is underfunded in comparison with organizations of similar size, in which ICT investment levels range from 12 to 17 per cent. The absence of an organized, top-down strategic approach to ICT has contributed to a proliferation of stand-alone systems that often support similar

functions. ICT applications comprise one main administrative system, the Integrated Management Information System (IMIS), for basic financial and human resources data and numerous ancillary systems for more specific purposes. These systems are not integrated with one another. Even IMIS is maintained autonomously in several different locations (see figure 5). There is no integrated system designed to store, search and retrieve information generated at the United Nations, much less to do so rapidly and in real time. This limits our ability to translate data and facts into informed policy and management decisions.

51. The areas of ICT organization, governance and support are equally fragmented, resulting in duplication of efforts. At least six separate departments have their own ICT units, with no functioning integrating mechanism in place among them. Furthermore, ICT management is positioned relatively low within the Secretariat hierarchy. As a result, few senior managers have understood what an enormous difference ICT could make if it were used strategically to improve Secretariat operations and decision-making.

52. This largely dysfunctional ICT situation in the United Nations stems from legacy systems and practices built up over decades. As a result, the United Nations has been unable to exploit the potential of ICT as an enabler of effective management reform.

Figure 5
Current ICT systems landscape is complex



Vision

53. My vision is of a United Nations in which this inability has been cured by bringing in a new, top-rank technology leadership, able to develop and implement an ICT strategy for the United Nations as a whole. Recent deliberations by the General Assembly on the creation of a Chief Information Technology Officer are a welcome step forward in this direction.

54. Under the leadership of such a Chief Officer, the heads of all departments and offices will need to be actively and cooperatively engaged in each phase of a comprehensive ICT roll-out. The ICT leadership and entity will need to be closely aligned with departments and other entities, involving all levels of management in a continuous dialogue that covers strategic as well as operational needs and issues.

55. The Secretariat will need to ensure much greater integration of its workflow and knowledge management, allowing managers to integrate programme objectives, knowledge assets and budgetary and financial data into one integrated technology-assisted process. This is essential if the Secretariat is to act more transparently and efficiently in managing staff and to procure goods and services of greater quality and quantity, at lower levels of risk. And it is an absolute condition for the adoption of the International Public Sector Accounting Standards.

56. Experiences in other United Nations entities show that such integration is feasible. **Very preliminary estimates of the cost of such a system are of the order of $120 million additional investment over several years. While significant, this estimate is consistent with investments made in other parts of the United Nations system. For example, UNDP — a smaller but more globally dispersed entity — has spent $80 million on a similar system. In the context of annual activity currently approaching $10 billion, the investment is reasonable.** Indeed, maintaining the current failing system is rapidly becoming more costly and carries with it the risk of an even more expensive collapse. The design of such a system will need to take account of the very rudimentary infrastructure available in certain field locations — particularly in the peacekeeping missions. Further, we expect the implementation of the new system to reduce annual operating costs over time as the legacy systems are phased out.

Proposals

Proposal 8

I ask the General Assembly to revive its discussion of creating the post of Chief Information Technology Officer, and to approve the creation of that post as soon as possible, at the level of Assistant Secretary-General. That rank will enable him or her to have a full voice in the decision-making processes of Secretariat bodies, such as the Management Committee. The position should carry with it sufficient resources — human and financial — to define and implement a comprehensive information management strategy for the entire Secretariat.

Proposal 9

I propose a sustained effort, starting immediately, to align ICT priorities with Secretariat performance objectives by incorporating better managerial decision-support tools; implementing an Organization-wide document/content management system; and recruiting or training people with skills in information management and analysis.

Proposal 10

Subject to the final results of soon-to-be-completed feasibility studies, I propose to replace IMIS, Galaxy and other stand-alone ICT management support systems with a fully integrated global system. I propose that such a system, supporting the full range of management functions, be introduced by 2009.

IV. Investing in new ways of delivering services

A. New sourcing options

Context and challenges

57. Recent advances in technology and management practices have enabled many public and private sector institutions to adopt entirely new ways of getting services. These have allowed employers to focus their resources on their core mission, improve their performance in achieving mandates and allocate resources optimally. Increasingly common practices include moving certain administrative functions to other locations (relocating or offshoring); contracting out to external providers a range of services previously performed internally (outsourcing); allowing some categories of staff to work from home (telecommuting); and making more effective use of facilities already established around the world.

58. Yet at the United Nations, progress in exploring these options has been piecemeal and slow. Most administrative and support services are performed in-house, often in high-cost locations, such as New York or Geneva. The overall United Nations mindset has been one that discourages even exploring the options that exist. As a global organization, there is no reason why we should not carry out our business globally. However, in its resolution 55/232 of 23 December 2000, the General Assembly established a number of conditions for outsourcing that severely restrict the circumstances under which it can be contemplated. No comprehensive feasibility study or cost-benefit assessment has even been conducted of the possibility of relocating major [illegible].

Vision

59. My vision is of a United Nations which has achieved gains on several fronts by introducing new practices, such as relocating activities to new work stations. By so doing, it will disperse the economic and employment benefits of those activities more equitably among its Member States, while at the same time making it more effective and efficient. In particular, it will redistribute some of the very large share

of those benefits that currently flows to the richest Member State of the United Nations, because it hosts a large United Nations presence. Redistributing and relocating the Headquarters workload to other parts of the world will benefit more countries and economies; allow the United Nations to widen and deepen the skills pool from which it recruits; and enable it to reduce the overall costs of its operations.

60. Relocating offers an unusually precise tool to fulfil Article 101 of the Charter of the United Nations: "The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible".

61. The United Nations family has only just started experimenting with this practice, but examples are encouraging. The World Bank relocated some of its accounting functions to Chennai, India. Aside from dollar savings, relocation has brought other improvements, as observed by UNDP following the transfer to Copenhagen of its benefits, entitlements and payroll functions in the biennium 2003-2004. Transactions were found to be 25 per cent more efficient, and UNDP staff worldwide gave the quality and responsiveness of the services offered in Copenhagen a satisfaction mark of 92 out of 100 in 2005. UNDP is now considering relocating some knowledge and learning divisions, as well as regional human resource support units, to regional centres such as Johannesburg and Bangkok.

62. In the Secretariat, the Department of General Assembly Affairs and Conference Management, for instance, recently commissioned an external study to review options concerning the document production cycle. Preliminary estimates suggest that possible savings from relocating the full range of document production services could approach 25 per cent of existing personnel and location costs, representing a net saving in the range of up to $35 million per annum.

63. Outsourcing — that is, contracting out to external providers — is an option that should be considered only for those functions that do not fall within the core competencies of the United Nations. Printing functions, which still take place in-house, may be a suitable candidate for outsourcing. Other steps of the document production cycle, such as translation, may be candidates for relocation to lower-cost duty stations — but *not* necessarily for outsourcing because of quality control and other issues.

64. Any decision to relocate or outsource a function depends on a broad range of factors, of which cost is only one. Reliability of service and guaranteed standards of quality are of primary importance. Consultations will need to be conducted with staff and their representatives, and then appropriate transitional support will need to be put in place to help any staff members whose jobs may ultimately be affected.

Proposals

Proposal 11

I ask the General Assembly to modify its previous guidance and allow the Secretariat to consider all options for alternative service delivery,

including identifying the potential for relocating work to lower-cost duty stations and for outsourcing.

Proposal 12

I propose to undertake systematic and detailed cost-benefit analyses of relocation, outsourcing and telecommuting opportunities for select administrative services, as follows:

- **Translation, editing and documents production by September 2006.**
- **Internal printing and publishing processes by September 2006.**
- **Medical insurance plan administration by September 2006.**
- **Information technology support services by December 2006.**
- **Payables, receivables and payroll processes by March 2007.**
- **Staff benefits administration by March 2007.**

B. Strengthening procurement

Context and challenges

65. One of the most daunting challenges of the past decade for the United Nations has been the extraordinary expansion in the scale and scope of procurement. Driven largely by the huge growth in peacekeeping — which today accounts for 85 per cent of all procurement — but also encompassing growing support to other field operations and relief initiatives, the value of United Nations global procurement has increased steadily from about $400 million in 1997 to over $1.6 billion in 2005. The trend is still heavily upward: in 2006, it is expected to exceed $2 billion. During the same period, however, the number of dedicated procurement staff at Headquarters has in fact fallen. In peacekeeping missions, there is a 50 per cent vacancy rate for procurement officers in the field.

66. Inevitably, this has tested the robustness and effectiveness of both systems and controls — and both have been found lacking. On the one hand, it has become clear that our procurement rules and regulations are too complex and cumbersome for the kind of quick actions often required in field missions. To take one glaring example, otherwise sensible requirements on seeking bids from multiple vendors can prove a real obstacle to the effective and timely delivery of critical goods and services from food to fuel in inaccessible and isolated places, such as parts of the Sudan or the Democratic Republic of the Congo. On the other hand, it has also become clear that some of the limited steps we have taken to try to deal with this in recent years, such as providing more authority for field-based procurement, have not been accompanied by sufficient support and controls to prevent mismanagement and possible abuse. As a result, despite the hard work and dedication of the vast majority of our staff, often in extremely complex and difficult situations in the field, we have too often fallen short of the high standards that the United Nations needs to set itself.

Vision

67. While some of the procurement problems documented in the reports of the Independent Inquiry Committee into the United Nations Oil-for-Food Programme have already been corrected, significant problems remain. A separate review conducted late in 2005 by external experts found major weaknesses in culture, management oversight and controls, including outdated procurement processes, a failure to align and support the procurement needs of clients, an inconsistent execution of processes, a poor governance structure and lack of sufficient resources. Equally worrying, a recent audit by the Office of Internal Oversight Services into peacekeeping procurement has raised significant additional concerns with regard to both mismanagement and possible fraud.

68. Quite apart from correcting systems and implementing robust internal controls to prevent potential wrongdoing, there is also significant potential for the United Nations to purchase goods and services more cheaply and efficiently if systems and procedures are properly modernized. To take one example, although a contractor performance rating system exists the results are not yet easily accessible across the United Nations system, nor have such performance reports been routinely examined to provide a measure of the future worthiness of United Nations contractors. Indeed, from outdated master contracts to overstretched data systems, an overworked team lacks the tools it needs to provide the highest quality procurement services. And as in other areas of the United Nations, spending on training — just $20,000 annually for the 70 staff at United Nations Headquarters — is also well short of what is needed.

Proposals and actions

69. **To respond to these problems, the following investigations are already under way:**

(a) **To ensure that the recent audit and review findings about possible irregularities are urgently addressed, the Office of Internal Oversight Services is currently undertaking, on my instruction, an accelerated review of these cases and additional allegations of possible procurement-related wrongdoing by staff.**

(b) **A more comprehensive, forensic audit is being carried out by external experts and the United Nations is, also on my instruction, fully cooperating with national law enforcement bodies in their own investigations.**

Proposal 13

I propose that these investigations be concluded quickly and that swift action be taken against any United Nations staff members found to have acted inappropriately.

Proposal 14

More broadly, in order to address the underlying weaknesses that have been identified, I propose to continue a comprehensive review of procurement rules, regulations and policies that is also already under way, focused on six broad areas:

- **Updating procurement procedures to reflect the new environment and operational requirements of the United Nations, including the need for greater transparency and accountability, through, for example, the establishment of a more independent bid protest system to ensure that vendors have recourse if they believe a procurement process was undertaken unfairly.**

- **Implementing a risk-management framework, including diagnostic tools to detect problematic transactions, more systematic rotation of staff serving in procurement and the strengthening of the Headquarters Contracts Committee that oversees the bidding process. This will ensure the Committee has the stature, professionalism and expert capacity it needs to review the recommendations of the Procurement Service.**

- **Continuing and improving the training of procurement staff in both procurement processes and ethics and integrity; extending personal financial disclosure requirements to procurement staff; and paying more attention to staff career development issues.**

- **Reprofiling procurement staff requirements, particularly with a view to attracting high-quality people willing to serve in the field and supported by regular training and routine rotation.**

- **Increasing information-sharing on procurement matters within the United Nations common system with a view to unlocking significant potential cost and efficiency savings — estimated at 5 to 20 per cent, or $100 million to $400 million — including through such steps as more systematic matching between vendors and destinations where goods and services are being used, vendor consolidation, redefinition of specifications and stronger enforcement of contract compliance.**

- **Using a lead agency concept to create specialist buyers for the whole system. For example, the United Nations might ask the Inter-Agency Procurement Services Office to handle all vehicle purchasing, WFP to handle air transport needs and the United Nations Office for Project Services to handle consulting and certain other personnel needs.**

Proposal 15

Early elements of the strategy described above are already being implemented and I propose to produce by June 2006 a more comprehensive report, with more detailed corrective actions, incorporating the recommendations of the current review and reflecting the conclusions of the outstanding investigations and audit.

V. Investing in budget and finance

70. Budgetary and financial arrangements underpin the functioning of the United Nations. First and foremost, it is imperative that Member States pay their contributions in full and on time. The quality of the decisions Member States take on how best to deploy resources is also critical. Yet as the world and our mission

change, as overall spending grows and as knowledge of international management best practices widens, our budget and finance functions have not kept pace.

Context and challenges

71. Past reforms have aimed at improving the system of budgeting, the cycle of budget preparation and review and the management of trust funds. Recent improvements notwithstanding, our current budgetary and financial arrangements do not properly enable the Secretariat to do its job. Key challenges include those described below.

72. **An inflexible budget implementation process that limits the ability of the United Nations to allocate funds strategically for operational needs**. Although previous reforms have enabled greater upfront focus on indicators of performance and the potential impact of a given programme or function, the new methodology has not led to any significant shift in the way Member States review the Secretary-General's budget proposals or assess how budgeted money was spent. The budget process is hampered by debate on line-item details, too much iteration within a lengthy review period and a paper-intensive approach. The preparation of the budget currently begins 15 months ahead of each biennium, which is too far in advance to respond to the fast-changing nature of United Nations business and can lead to resources being misaligned with actual needs. The majority of our finance staff are employed in supporting this cumbersome process, leaving little capacity for proactive financial planning and analysis in support of programme goals.

73. **Highly restricted authority of the Secretary-General to shift resources to meet emerging needs**. The ability of the Secretary-General to shift money between programmes and reallocate posts without Member State approval is weaker today than before 1974, when the need for such flexibility was far less. Recognizing the need for greater fluidity, Member States agreed in 2003 to grant the Secretary-General, on an experimental basis, the ability to move up to 50 posts within the biennium. But this concession has proved both insufficient and unwieldy, in part because of the large number of restrictive conditions imposed and the absence of any authority to reclassify positions according to need.

74. **No single, coherent and commonly understood notion of accountability for programme performance**. The achievement of programme objectives has few consequences for resource allocation, work planning or assessments of managerial performance.

75. **Cumbersome practices emerging from the Financial Rules and Regulations**. As we move from a centrally controlled institution to a more decentralized one, we may need to revisit the rules themselves in a more fundamental way. Adoption of the International Public Sector Accounting Standards by the United Nations, which will be sought from Member States later in 2006, would require significant adaptation of the Organization's Financial Rules and Regulations.

76. **Insufficient transparency and availability of relevant financial information to provide clear guidance either to Member States or to Secretariat managers on the Organization's financial picture**. An archaic and fragmented IT infrastructure, outdated manual processes and fragmented accounts in peacekeeping

and trust funds create delays but also, more importantly, prevent the collection and tracking of key data needed for management decisions and proper oversight and audit.

77. Among many examples of these problems, let me cite the following:

(a) The Secretariat delivers many thousands of pages of reports to the Fifth Committee each year, many of them overlapping in content (see figure 6); for example, during the fifty-ninth session of the General Assembly, 275 separate reports were delivered;

(b) Budget preparation precedes — and does not incorporate — the lessons of the programme performance report on the previous budget period;

(c) There are more than 150 separate trust funds and 37 individual peacekeeping special accounts, each with its own support arrangements and costs;

(d) Inadequate working capital funds cover just two or three weeks of United Nations operations;

(e) Cash flows are slow and unpredictable, with less than half the amount assessed for the regular budget received within the first quarter. For peacekeeping assessments, which are issued throughout the year, significant payments take several months and the total amount outstanding usually stands at between $1 billion and $2 billion;

(f) The formal budgetary discretion of the Secretary-General has remained unchanged for more than 30 years;

(g) Less than half of the 30 offices and departments in the Secretariat have specific units or staff dedicated to programme evaluation.

Figure 6
Both Member States and Secretariat are overwhelmed with the number of reports

Report load of the Fifth Committee at the fifty-ninth session of the General Assembly
Total: 275 in one year

Reporting Unit	*Number submitted*
Peacekeeping Finance Division	45 reports
Advisory Committee on Administrative and Budgetary Questions	78 reports (16,000 pages)
Joint Inspection Unit	13 reports
Board of Auditors	21 reports
Office of Internal Oversight Services	25 reports
Office of Human Resources Management	13 reports
Programme Planning and Budget Division	28 reports
Budget report	35 sections (26,000 pages)
Other units of the Department of Management (and written responses to questions)	31 reports
Other departments	21 reports
and 80 Secretariat oral statements	

Vision

78. My vision is of a United Nations that has addressed these fundamental problems and in which:

(a) There will be a flexible and strategy-focused budgeting process, building on the earlier reforms that implemented results-based budgeting within the Secretariat;

(b) Member States and the Secretariat will strike the right balance between control and managerial freedom, and between the direction and guidance provided by Member States and the flexibility needed by the Secretariat to fulfil those wishes. Thus, the Secretariat will have the authority needed to deploy and shift resources to implement effectively the mandates given to it by the Member States;

(c) There will be clear links between performance and resource allocation, enabling the best possible stewardship of Member State investments in the United Nations. This would give Member States greater confidence in the transparency and availability of relevant information on which to base their decisions, enable them to hold managers accountable for specific results and assure them that their financial contributions are being used in an efficient manner.

79. The proposals set out below are meant as first steps towards this vision.

Proposals

Proposal 16

In the area of strategic budgetary planning and implementation, I propose that:

- **The Member States and the Secretariat work together to find ways to further increase the strategic nature of the budgeting review, reduce duplicative, detailed and labour-intensive processes, and align key inputs across the regular, peacekeeping and extrabudgetary processes.**
- **The budget cycles be shortened and aligned with the calendar year. Regular budget preparation and adoption should be shortened to 12 months, and all stages of the budget review process should take place during the main part (September through December) of the regular sessions of the General Assembly. The peacekeeping budgetary cycle would be aligned with the calendar year.**
- **Budget appropriation be consolidated from the current 35 sections into 13 parts.**
- **Posts be approved in aggregate numbers and grouped into four broad grade categories. The Secretariat would submit an indicative staffing table for information purposes only. The Secretary-General should have the authority to redeploy posts as necessary, and to reclassify up to 10 per cent of posts within each broad category within a given budget period.**

- The Secretary-General be given the authority, within a given budget period, to use the savings from vacant posts, with a value not to exceed 10 per cent of the overall post budget, for emerging priorities or unanticipated activities.

Proposal 17

In the area of financial management practices, I propose that:

- Peacekeeping accounts for separate field missions be consolidated into a single set of accounts and reports, starting in 2007, to improve cash management and operational flexibility.
- A new policy be introduced in July 2006, replacing four existing administrative instructions, to govern the streamlined management of trust funds. Key objectives would include simplified rules and procedures, the introduction of a single, consistent and flexible trust fund category, and the establishment of a new standard for support costs, lower than the current 13 per cent, to bring it more in line with the fee structure in force in the United Nations funds and programmes.
- The ceiling of the commitment authority granted by the General Assembly for peacekeeping operations be increased from $50 million to $150 million and de-linked from a specified number of Security Council decisions.
- The level of the Working Capital Fund for the regular budget be increased from $100 million to $250 million.
- Budget surpluses, including those from peacekeeping operations, be retained for use in subsequent periods, pending Member State approval.
- A separate fund be created to cover unanticipated expenditures arising from exchange rate fluctuations and inflation, to be financed through the transfer of budget surpluses.
- Interest be charged on arrears in a Member State's assessed contributions.

Proposal 18

In the area of performance evaluation and reporting, I propose that:

- United Nations activities in the areas of performance measurement be given increased resources but also rationalized.
- Monitoring and evaluation tools be reformed and synchronized so that their results can be evaluated in the formation of the subsequent budget.
- The budget and planning process be explicitly linked to the results of performance, work planning and the assessment of managerial performance in order to ensure the effective stewardship of resources provided by Member States.

- **A new annual report be introduced (see more detailed discussion in sect. VI below), along with other steps to consolidate and simplify financial reporting.**

* * *

80. Re-engineering the financial platform of the Secretariat around these key principles of transparent budgeting and results and flexible but accountable management will require a process of continuous change. The experience of the United Nations in funds and programmes shows that re-engineering core business processes of this kind requires changes in attitude and culture that cannot be achieved overnight. In particular, managers must learn to take responsibility and to master ICT-based management systems.

VI. Investing in governance

81. In sections II to V above, I have described the major changes that I believe are needed in the management of the United Nations Secretariat and the resources entrusted to it by Member States. In the present section, I shall suggest improvements in the way the Secretariat explains itself to Member States and to the public, and the way Secretariat and Member States work together on management and budgetary issues. My objective is to ensure that Member States receive high-quality, accurate and timely reports on the Secretariat's performance, and have in their hands effective tools for holding the Secretariat genuinely accountable for its fulfilment of their mandates and stewardship of their resources. The United Nations should be accessible to its owners — the Member States — and to its users — all who rely on its services or have dealings with it. This requires an effort of transparency on the part of the Secretariat, but also requires some adjustment by the intergovernmental bodies themselves.

Context and challenges

82. **The present budgeting and decision-making processes are characterized by an acute lack of clarity and transparency**. Member States are subjected to a blizzard of reports from the Secretariat, which contain a great deal of information but are not arranged strategically and are therefore of very limited use as analytical tools. The Fifth Committee, in particular, currently receives over 270 reports each year, none of which gives a single, comprehensive and coordinated view of Secretariat management performance. This plethora of reports overwhelms both the Secretariat and the Member States alike (see figure 6). It obliges Member States to probe officials with very detailed questions in an effort, which even then is only partly successful, to get at the full picture. Reports are too long, there are too many of them and they often arrive late, leaving Member States too little time to review them.

83. **The public, too, is ill served by current United Nations policy on outside access to documentation**. This policy is neither clear nor systematic. Existing rules

establish a theoretical presumption in favour of releasing documents to the public on request but do not set forth precise criteria for deciding when access should be refused. In practice, individual department or office heads take these decisions on an ad hoc basis, with no review or appeal process for people who feel that access to a given document has been wrongly denied.

84. **The current system of interaction between the Secretariat and Committees of the General Assembly is at times dysfunctional because the different committees are too numerous, too large and often have overlapping agendas**. In particular:

(a) The Fifth Committee's interface with the Secretariat suffers from excessive focus on details. This is partly due to the size of the Committee (191 members) and partly to the lack of time limits on discussion, which prevent a strategic dialogue and frequent head of mission involvement;

(b) The Advisory Committee on Administrative and Budgetary Questions (ACABQ), which gives expert technical advice to the Fifth Committee, also spends much of its time on a parallel and detailed line-by-line cross-examination of officials, again without always reaching a strategic judgement. So often the same ground is covered — once in ACABQ and again in the Fifth Committee;

(c) The Committee for Programme and Coordination absorbs significant resources and time but no longer fulfils either its mandate of coordinating the activities of different programmes under the regular budget or its mandate of assessing the performance of the Secretariat. Earlier efforts to reform it have proved unsuccessful.

Vision

85. My vision is one of Member States and Secretariat working together, on the following terms:

(a) **Workable decision-making processes**. When discussing matters of detail, Member States would work in small but representative groups, keeping to a strict timetable and supported by knowledgeable expertise, with a clear mandate to approve or disapprove proposals so that larger bodies could focus on strategic issues;

(b) **A clear division of labour**. Intergovernmental bodies would govern the Organization in the sense of making high-level decisions on priorities, policies and the overall allocation of resources, and would provide substantive expert input. They would discharge these tasks better by leaving operational details to be managed by the Secretariat and judging managers on results rather than through a line-by-line review of each item of expenditure;

(c) **A credible reporting mechanism**. Member States would receive accurate and timely analysis and information from the Secretariat — as they need to more than ever now that it has so many more tasks to perform and demands to meet. This would be achieved not by *more* reports but by fewer, better and clearer reports that would enable Member States to evaluate Secretariat actions and ensure that their mandates were properly implemented;

(d) **Transparency**. The public would be told clearly that they could request United Nations Secretariat documents, how to make such requests and on what principles they would be granted or denied, and all such requests would receive a prompt response.

Proposals

Proposal 19

I propose to improve our reporting mechanisms by developing a single, comprehensive annual report, including comprehensive financial and programme information; identifying opportunities to streamline all Secretariat reports; making real-time financial performance reports available to Member States; and improving public access to United Nations documentation. More specifically:

- **A single, comprehensive annual report of the Secretary-General to the General Assembly on the work of the Organization, as mandated by the Charter, will consolidate the information currently presented in five different reports, enabling the financial and operational work of the Secretariat to be readily measured against the strategic objectives set by Member States. It will thus not only improve the quality of communication between the Secretariat and Member States but also enable Member States to conduct more meaningful strategic discussions among themselves.**
- **Over 30 existing reports on management and finance issues will be consolidated into six reports.**
- **We will also provide Member States with real-time, consolidated accounts of our financial performance on a regular quarterly basis, as soon as the necessary information systems are in place.**
- **In May 2006, I shall submit to Member States, for discussion and approval, a detailed policy proposal containing new and clear rules on public access to United Nations documentation.**

Proposal 20

I propose three new principles for interaction between the Secretariat and the key General Assembly budget committees:

- **The committees should agree to focus on core budget issues, with emphasis on planning and the analysis of performance.**
- **Both plenary and working groups should respect strict time limits for budget discussion and decision-making.**
- **Plenary sessions should be used for decisions on core budget issues and not for prolonged debates on each line item.**

Proposal 21

I urge the General Assembly to consider ways to reform its structures for interacting with the Secretariat on management and budgetary issues. Accordingly, while this is clearly a matter for them to decide, Member States may wish to:

- **Reconsider the need for a separate Committee for Programme and Coordination given the extensive overlap of this Committee's work with that of the Fifth Committee and ACABQ.**
- **Establish a programme evaluation capacity to strengthen the ability of the Fifth Committee to review all $10 billion Secretariat resources and allow a linkage between programme performance and budget review.**
- **Raise the level of their representation on the Fifth Committee, encouraging heads of mission to participate more directly.**
- **Review the level of technical expertise required for service on ACABQ with a view to ensuring that it fully carries out its function as an expert group, supporting and advising the Fifth Committee.**
- **Elevate the agenda of both the Fifth Committee and ACABQ and impose time limits on their sessions with a view to spending less time on detailed review and more on key strategic issues.**
- **Examine ways to allow strategic discussion to be held in meetings of manageable size, possibly through dividing up the workload of the Fifth Committee among select working groups of limited membership, or consider whether an executive committee could be elected from among its members and asked to bring agreed recommendations before the Committee as a whole.**

Box 2
Strengthening oversight and audit

Critical both to good management and to ensuring the highest standards of integrity and accountability is a system of proper oversight and audit. Currently, the United Nations is subject to multiple internal and external audit and review bodies — including the Board of Auditors, the Joint Inspection Unit and the Office of Internal Oversight Services — with varying and somewhat overlapping mandates and remits. In addition, the Office of Internal Oversight Services itself has a complex set of responsibilities that is subject to potential conflicts of interest between its role in providing management advisory services to United Nations departments and its investigatory and audit functions. This latter role, in which the Office of Internal Oversight Services has traditionally provided internal audits for use by senior management, has also become blurred as a result of the General Assembly's recent decision to have the Office report directly to Member States as well as to the Secretary-General, and to allow Member States direct access to its reports.

This complex set of arrangements, as well as the problems uncovered in the management of the oil-for-food programme, the sexual exploitation scandal in some of our peacekeeping missions and troubling evidence of misconduct in our procurement system has reinforced my long-standing conviction that the independent audit and investigatory capacity of the United Nations needs to be significantly strengthened. That is why I initially proposed a comprehensive review of the Office of Internal Oversight Services in 2004; and I repeated the request in my 2005 report to the General Assembly entitled "In larger freedom: towards development, security and human rights for all" (A/59/2005). I was very pleased to see this proposal fully endorsed by Heads of State and Government in the 2005 World Summit Outcome, and I very much welcome the fact that they decided to combine this review with the comprehensive assessment of the governance arrangements of the United Nations already recommended by the Board of Auditors. By the same token, I was also very pleased by the General Assembly's decisions to approve significant new resources for the Office of Internal Oversight Services in both June and December 2005, and to endorse the creation of an Independent Audit Advisory Committee as an additional resource to ensure that Member States have the independent expert advice that they need in order to better exercise their oversight responsibilities.

In my report to the General Assembly in November 2005 on the implementation of the 2005 World Summit Outcome, I set out detailed terms of reference for this new Committee, based on a review of best practices and benchmarks used by similar bodies in comparable organizations. I also provided terms of reference for the governance and oversight review that is now under way. I sincerely hope that this review will identify a more rational division of labour and responsibilities among the various audit and oversight bodies, and that it will ensure they are fully equipped with the resources and capacity to carry out their very important role. With specific regard to the Office of Internal Oversight Services, in addition to looking at how to bolster its audit and investigatory capacity, which I believe is essential, I also hope the review will (a) explore the implications of the Office's new direct reporting line to the General Assembly for the Secretariat's ability to draw on its internal audit capacity as an input for management decisions; and (b) explicitly review the appropriateness of the Office retaining its management advisory functions.

VII. The way forward: investing in change

A. Overall resource requirements

86. Processes of change such as those outlined in the present report, involving far-reaching reform of a large organization, can be successfully implemented only by deploying substantial resources. As I noted at the beginning of the present report, the United Nations has suffered from underinvestment. The bill for that is now

inevitably due. The precise cost of all these reforms will obviously depend on the details still to be worked out. Nevertheless, I have itemized several major and vital cost increases:

(a) Improving field benefits and conditions to create a single global staff;

(b) Increasing investments in training, recruitment and human resource development;

(c) Strengthening key functions, such as procurement and overall management;

(d) Introducing a new information technology platform;

(e) Approving a staff buyout programme.

[illegible] The sums required may seem large, but:

(a) They would, over time, pay for themselves through the substantial savings in running costs that the reforms will bring;

(b) They will be offset by very large savings in procurement reform, relocation of work and administration simplification;

(c) When combined with the current General Assembly exercise of mandate review, they offer the prospect of a much more focused, professional Secretariat that can deliver on the tasks Member States set it;

(d) Without these comprehensive reforms, we would almost certainly end up spending considerable sums on further piecemeal efforts that would not address fundamental issues;

(e) Most importantly, these reforms will give us a much more productive Organization, with much more highly motivated staff. In fact, this would be a very modest investment compared to the cost of *not* reforming the United Nations. The return on investment, in terms of the benefit that all Member States and their peoples can expect from a truly effective United Nations, attuned to the needs of the twenty-first century, will be of immeasurable importance to the world.

B. Early and visible change

88. Experience within the United Nations system and elsewhere tells us that reform or change initiatives often fall apart or are not sustained over time unless there is strong leadership from the top, supported by a group of managers and responsible officials assigned full-time to making change happen. It would therefore be naive to expect the comprehensive transformation described in the present report to happen by itself. The Secretariat and Member States, working closely together, will have to refine the blueprint and convert it into detailed proposals, with a disciplined implementation strategy — which must itself be the product of consultation, both among Member States and with the staff at all levels. For the change I propose, which is above all a change of *culture*, cannot be achieved overnight. It is urgent, and I am determined to implement as much of it as I can in the nine months left to me as Secretary-General. But it needs to continue steadily over a period of years. And this will not happen without an appropriate structure to manage it and drive it forward.

1. Change management office

89. Managing change of this magnitude is not a part-time responsibility. It will be necessary to set up a dedicated capacity within the Secretariat — a change management office, with clear terms of reference and a time limit — which I propose should work closely with a small but representative group of Member States to provide support and guidance.

90. This office, which would report to the Deputy Secretary-General, would work with heads of department and other key leaders within the Secretariat to plan and coordinate the implementation of the reforms. It would monitor performance and hold heads of department accountable for their delivery. It would establish task forces to identify and resolve specific challenges and would supervise their work. It should be led by a highly respected, senior-level manager with deep organizational knowledge and a full understanding of the context as well as the content of the reform agenda, who would be respected by, and have access to, the key decision makers in the Secretariat.

2. A staff buyout

91. In the 2005 World Summit Outcome, Heads of State and Government called on the Secretary-General to submit "a detailed proposal on the framework for a one-time staff buyout to improve personnel structure and quality, including an indication of costs involved and mechanisms to ensure that it achieves its intended purpose" (see General Assembly resolution 60/1, para. 163 (c)). I expect to place such a proposal before the General Assembly soon. It will be an essential tool for implementing the reforms proposed in the present report and the conclusions of the review of mandates on which the Assembly is about to embark. Full consultation with staff representatives will be required before my proposals are finalized and they will be based on four principles:

(a) The Secretary-General must be able to realign the staff in accordance with the Organization's priorities. The staff to whom the targeted buyout is offered must therefore be selected on the basis of an analysis of the skills needed in the light of both the management reforms — including business process simplification, changing skills needs, relocation of work and outsourcing — and the mandate review. The decisions that Member States may wish to make on my proposals in this area will also determine the scale of the programme;

(b) The Organization's interests must be protected by ensuring that the buyout does not result in the loss of staff whose skills, experience or knowledge are aligned with operational needs;

(c) The anticipated attrition of staff, particularly at the senior levels through retirement, may affect the scale of the proposed buyout;

(d) The mechanisms for implementing the buyout must be transparent and equitable, with safeguards to prevent arbitrary decisions and preserve the Organization's strategic goals.

92. My proposal will offer options for the buyout; the precise cost will depend on which option Member States prefer. A buyout cost of approximately $100,000 per staff member would be anticipated. Therefore, a buyout of 500 staff would cost approximately $50 million; a buyout of 1,000 staff would cost approximately

$100 million. I believe this is fully justified as an investment in the United Nations of the future, which must be staffed by people whose skills and aptitudes respond to its priorities.

Proposal 22

I therefore propose that dedicated resources be appropriated in order to ensure complete implementation of the detailed proposals resulting from this process. In particular, resources will be needed at an early stage for a change management office and a staff buyout.

Proposal 23

I urge Member States to lose no time in providing dedicated resources for the change management office and setting up an appropriate intergovernmental mechanism to work with it. Such prompt decisions would make it clear, to both our staff and the outside world, that the overall programme of reform is serious and credible.

VIII. Conclusion

93. Only by an effort on this scale — a management reform as broad as it is deep — can we create a United Nations Secretariat that is fully equipped to implement all its mandates, using the resources of its Member States wisely and accounting for them fully, and winning the trust of the broader world community. In an age when more and more of the problems facing humanity are global and the world has more and more need for a global institution through which to forge and implement global strategies, it is more than ever necessary for the United Nations to live up to the promise of its Charter — and, above all, to the demands and hopes of present and future generations.

Box 3

Proposals requiring General Assembly action and support

We offer Member States a short checklist of issues that will require their action and support.

To ensure that the Organization hires the best people and gets the best from them:

- Modifying the existing requirements in the system of recruiting, promoting and placing United Nations staff
- Explicit authority for the Secretary-General to move staff members according to organizational need
- Broadening current mobility requirements and approving a simplified contract system
- Investing more in staff development and training programmes
- Aligning benefits for United Nations staff in the field with those of the United Nations funds and programmes

To equip the Organization with up-to-date information and communications technology

- Creating a Chief Information Technology Officer.
- Commitment to developing a fully integrated global ICT management support system, subject to the results of the current feasibility study.

To ensure that the Organization gets the best value for money spent on services

- Reviewing guidance on alternative service delivery and agreeing to the preparation of cost/benefit analyses in certain administrative areas.

To ensure transparent and efficient financial and budgetary management

- Shortening of the cycle for review and adoption of the Organization's programme budget.
- Giving greater budgetary discretion to the Secretary-General in consolidating peacekeeping accounts for separate field operations.
- Introducing improvements in the system of financial management — including delegation of financial authority with a clear framework of controls.
- Increasing capacity for performance monitoring and evaluation.

To improve the Secretariat's accountability to Member States

- Approving improved reporting mechanisms to intergovernmental bodies.
- Agreeing to identify ways to improve interactions with the Secretariat on management issues.

To ensure that change is carried through in a resolute and sustained manner

- Supporting the creation of change management capacity.
- Continuing support to the change management process.